

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

RE: Application of the Cape Light Compact pursuant
to G.L. c. 164 App., §§ 2-1 through 2-10, and
220 C.M.R. §§ 7.00 et seq., for approval by the
DTE of the Companies' proposed operating budgets
for their Residential Energy Conservation Service
Programs for the period of January 1, 2003 through
December 31, 2003

DTE 02-64

**Cape Light Compact's Response to Department of Telecommunications
and Energy's First Set of Information Requests**

DTE-1-1: Please refer to page 6 of the Compact's 2003 Program Description.
Provide the Department an itemized budget for Residential Conservation
Service and Residential High Use Program for the calendar year 2003
budget. If the Compact cannot provide an itemized budget for the 2003
budget, please explain why not.

Response: The itemized budget filed on November 15, 2002 as Exhibit 1 to the
Amended Petition for Approval of Calendar Year 2003 Residential
Conservation Services Program Budget is the most detail the Cape Light
Compact (the "Compact") can provide to support this program. The
Compact cannot provide a further break out of services, because the
former Residential Conservation Service ("RCS") and Residential High
Use ("RHU") programs will be integrated in 2003 as a single new program
(the HomEnergy Program) in order to provide customers with a whole-
house approach to the implementation of energy efficiency technology.
The combination of the RCS and RHU programs as an indivisible whole
will provide customers with a "one-stop shopping" approach to efficiency
services, improve delivery of services, and streamline administrative
processes. In other words, the RCS program has been expanded to include
the RHU program. (It has also been renamed the HomEnergy Program.)
Therefore, Exhibit 1 provides a complete itemized break out of the 2003
RCS (HomEnergy) Program. There is simply no practical or accurate way
to break out any of those items which are comparable to the old 2002
budget.

The Compact believes that the integration of RCS and RHU reflects the
direction of the Division of Energy Resources ("DOER") and addresses
the feedback the Compact has received from its Cape and Vineyard

customers frustrated with the existing RCS program due to its limited focus. The Compact is unique in that it is not a utility, but a municipal aggregator whose programs reflect the needs and desires of its constituents. The Compact is confident that the proposed changes are responsive to customers and are highly cost effective.

Respondent: Kevin Galligan, Program Manager for the Cape Light Compact, and Tim Woolf, Consultant to the Cape Light Compact.

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

RE: Application of the Cape Light Compact pursuant to G.L. c. 164 App., §§ 2-1 through 2-10, and 220 C.M.R. §§ 7.00 et seq., for approval by the DTE of the Companies' proposed operating budgets for their Residential Energy Conservation Service Programs for the period of January 1, 2003 through December 31, 2003

DTE 02-64

**Cape Light Compact's Response to Department of Telecommunications
and Energy's First Set of Information Requests**

DTE-1-2: Does the Compact contend that its proposed calendar year 2003 budget is reasonable? If so, how does the Compact support this contention?

Response: The Cape Light Compact (the "Compact") believes that the 2003 HomEnergy Program budget is reasonable. The 2003 HomEnergy Program will meet the Residential Conservation Service ("RCS") requirements established by the Division of Energy Resources (the "DOER"). The program will also be consistent with the Commonwealth's statewide energy efficiency goals, as will be demonstrated in the forthcoming Energy Efficiency Plan. The HomEnergy Program will improve upon the RCS and Residential High Use ("RHU") programs provided by the Compact in 2001 and 2002, by providing a "one-stop shopping" approach for customers, by streamlining the marketing and delivery of the program, and by offering the optimal mixture of customer incentives. The HomEnergy Program is equitable, in that the amount of efficiency funds allocated to the program is consistent with the amount of efficiency funds generated by the customers that can participate in the program. In addition, the Compact's preliminary calculations indicate that this program will have a Benefit/Cost Ratio of approximately 1.8, which demonstrates that it will be a highly cost-effective program.

Respondent: Kevin Galligan, Program Manager for the Cape Light Compact, and Tim Woolf, Consultant to the Cape Light Compact.